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## 19 POSITIVE PSYCHOLOGICAL CAPITAL, MARKET ORIENTATION, AND BUSINESS PERFORMANCE OF FAMILY BUSINESS IN THE CULINARY SECTOR: A RESEARCH STUDY

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51 **ABSTRACT.** This study aims to determine the effect of positive psychological capital and market orientation on the performance of the culinary sector family business. The unit of analysis in this study was 121 culinary sector family businesses in Makassar, South Sulawesi Province, Indonesia, which were determined by purposive proportional random sampling. The statistical testing method was used to analyze the various problems associated with the hypothesis. This is to enable further generalization using the partial least square (PLS) analysis which includes designing structural (inner model) and measurement models (outer model), constructing diagram path, and making conversion path diagram to the system of equations, as well as the estimation, evaluation of the goodness of fit, and hypothesis testing. The result showed that positive psychological capital and market orientation have a significant influence on the performance of the culinary sector family business.

**Keywords:** positive psychological capital, market orientation, business performance, Indonesia

## Introduction

55 This research is based on the importance of family business in accordance with its relationship to the economy, such as its contribution to the formation of gross national products as well as its benefits. The contribution of Micro, Small, and Medium Enterprises (MSMEs) involved in culinary businesses is a challenging task particularly in this era of digital economy which relies on innovation and creativity (Salmon & Allman, 2019; Frank et al., 2019; Jiménez et al., 2020).

Entrepreneurship and studies on family businesses has led to interesting discoveries (Kushins & Behounek, 2020). Family business has several unique values, and dynamic capabilities that shape the behavior of the company, whose priority is to achieve sustainable competitive advantage, and vice versa (Soares & Perin, 2019). Miller and Le Bretton-Miller (2005) reported that values are created for customers by exploring operational advantages and pursuing quality strategies based on their unique resources. Poza (2007) also stated that exceptional competencies allow them to acquire greater potential in a changing market environment.

Presently, several problems are encountered, that acts as limitations in controlling strategic resources sourced from family capital. The condition encourages investment which relates to the implementation of strategies in order to create competitive advantage and improved performance (Barney, 2001; Williams Jr et al., 2019).

In a dynamically changing and unpredictable environment, strategic resources are a key factor for success in business (Sirková et al., 2014; Srivastava & Srivastava, 2019). According to some research findings, a strong relationship exist between positive psychological capital, business success and its performance (Sweetman et al., 2011; Luthans et al., 2011; Rego et al., 2012; Rau et al., 2019; Lazzarotti et al., 2020). The study of the development of positive psychological capital in family business is essential for its survival and transgenerational success (Memili et al., 2014; Lauto et al., 2020; Ferrari, 2020). It is usually valued when challenges such as an increase in financial capital are substantially dependent on endurance capital (that is, a collection of personal resources used for family businesses). It is also a strategic resource that affects both economic and non-economic performances (Baluku et al., 2018).

This study aims to examine positive psychological capital, market orientation, and business performances by utilizing different scientific approaches. This is important because empirically, interdisciplinary academic studies which tend to determine the factors that influence the performance of family businesses particularly in the culinary sector are rarely conducted.

25 Furthermore, the purpose of this research is to analyze the effect of positive psychological capital and market orientation on the performance of family businesses in the culinary sector in Makassar City, South Sulawesi Province. This is an interesting object of study, because sociocultural, people prefer to visit both modern and traditional culinary and the unique taste and superiority of the products offered to consumers, leads to intense competitions in this type of business.

46 This research was conducted in several stages, using multivariate analysis by means of Partial Least Square (PLS). The first stage involves the fabrication of problems and research questions by conceptualizing the phenomena in accordance to positive psychological capital, market orientation, and business performance, which therefore constitutes the basis for formulating the hypotheses. In the second stage, a research design based on theories, concepts, variables, dimensions, indicators, scale/measurement, question items in the research instrument was generated. The third stage involves the development of research instruments namely

questionnaires. The fourth stage is the determination of samples based on the characteristics of family businesses involved in culinary. The fifth stage includes examining the validity and reliability of the research instruments. The sixth step comprises of the collection, reviewing and coding of data. The seventh stage involves testing the hypotheses through data processing, analysis, and interpretation.

The findings from this research succeeded in empirically formulating the hypotheses, therefore, certain suggestions that aids in improving the performance of family businesses involved in culinary are recommended. The subsequent section is centered on a theoretical foundation which examines the relationship between positive psychology and market orientation on business performance, while the research findings are based on hypothesis verification. The concluding aspect of this research is based on recent discoveries, the added value of this study for the development of family businesses, as well as the limitations.

This empirical research is based on issues encountered in achieving competitive advantage. However, in accordance with the ideas of experts in the field of strategic management, its generation is highly reliant on the compatibility between internal capabilities and changes in external conditions encountered (Alejandro et al., 2008).

## 1. Literature review and hypotheses

### 1.1. Positive psychology capital and business performance

Entrepreneurial success which is determined by the performance of the business is a research interest primarily developed in the context of small businesses and entrepreneurship (Pett et al., 2019). However, indicators such as finances and personal traits limit the general knowledge of business performance (Zhao et al., 2010; Erävala et al., 2019). Therefore, the emergence of studies conducted on business performance highlights certain factors that influences it (Gorgievski et al., 2010; Pradhan et al., 2016) such as positive psychology (Seligman & Csikszentmihaly, 2000). This shows that it is not only influenced by financial factors (Gorgievski et al., 2010). Nevertheless, empirical studies on the measurement of non-financial performance is lacking in entrepreneurial studies.

The psychological capacity possessed by entrepreneurs has four dimensions namely self-efficacy, optimism, resilience, and hope, as well as an extension of the economic capital (Luthans & Morgan, 2017). According to Luthans and Morgan (2017), it is based on the belief that a person possesses the mental strength, capacity, and ability to do something worthy.

According to some studies, it has a direct positive relationship with business performance (Peterson et al., 2011; Sweetman et al., 2011), success (Culbertson et al., 2010; Baluku et al., 2018) as well as desired psychological outcomes (Avey et al., 2010). Therefore, it is appropriate to assume that a direct relationship exist between psychological capital and business performance, the hypothesis is stated as follows:

*H<sub>1</sub> Positive Psychology Capital has a direct effect on business performance.*

### 1.2. Market orientation and business performance

Experts have conducted several operations relating to market orientation and most of its definitions are based on the conceptualizations of Kohli and Jaworski (1990). This was further categorized it into three components, which includes systematic acquisition of information concerning current and future customer needs, its dissemination to all organizational units/departments, as well as designing and implementing organizational responses in a

coordinated and comprehensive manner. Market orientation is considered as the basis of marketing concepts and is well-known for its contribution towards the development of business performance models (Kirca et al., 2005). Kohli and Jaworski (1990) stated that it is an important factor for company success. Furthermore, it was discovered that market orientation and business performance were positively correlated (Jaworski and Kohli, 1993). Presently, the results from a number of studies have shown the positive influence of market orientation on a company's business performance (Pelham, 2000; Liao et al., 2011). Therefore, the hypothesis is stated as follows:

*H<sub>2</sub> Market orientation has a direct effect on business performance.*

The conceptual framework of the relationship between positive psychological capital, market orientation, and business performance is shown in Figure 1.

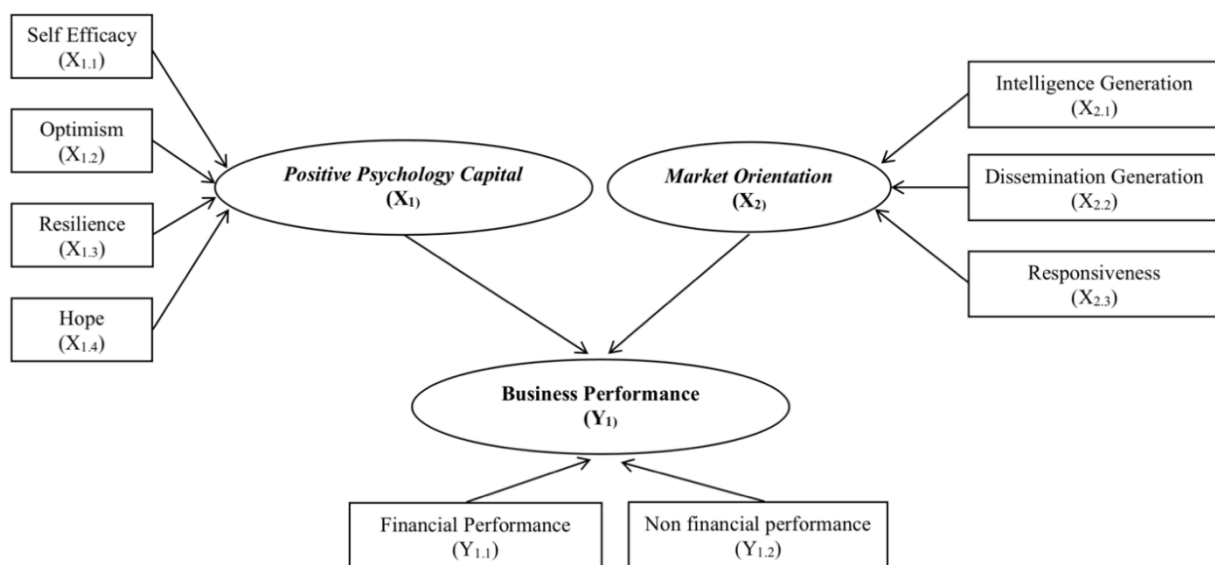


Figure 1. The conceptual framework

## 2. Methodology

### 2.1. Research design

This research is an explanatory survey, aimed at analyzing the influence of positive psychological capital and market orientation on the performance of culinary family businesses, in addition parameter testing is used to formulate the hypotheses. A descriptive statistics which categorized the percentage of assessment scores on each question or item is used to review the perceptions of the respondents.

The hypotheses were formulated based on certain phenomena relating to the performance of culinary family businesses subsequently, they were also derived from theories and previous studies. Efforts to prove the testing process as well as the level of accuracy involved in the explanation, and prediction of an occurrence or relationship between phenomena are determined by the theory applied which is subject to offering comprehensive outcomes such as exposing certain facts that occur in the culinary family businesses.

Sekaran, (2000), reported that explanatory study uses hypothesis testing of existing problems for a logical decision framework. This research focuses on scientific methods, which

was used in identifying valid data analysis. Besides, a deductive approach was applied to theoretically analysis the hypothesis in order to determine the relationship between the variables. Similarly, the proposed theory is derived from the generalized hypothesis.

## 2.2. Variables

This study is conducted to discover and analyze the influence of positive psychological capital and market orientation on the performance of culinary family business. In addition, it consist of independent (positive psychological capital and market orientation) and dependent (business performance) variables. Luthans, Luthans, and Luthans (2004), reported that positive psychological capital has certain dimensions based on the application of an ordinal scale namely, self-efficacy, optimism, resilience, and hope. Kohli and Jaworski (1990), stated that market orientation includes the systematic collection of information concerning current and future customer needs, its dissemination to all organizational units/departments, as well as the designing and implementation of coordinated responses using ordinal scale. Family businesses is measured based on 2 (two) dimensions, which involves financial and non-financial performances. Financial performance is the perception of business actors towards profitability and sales growth. Non-financial performance is measured by customer and employee satisfactions using ordinal scale. The variables examined in this research are shown in Table 1.

Table 1. Research variables

No.	Variables	Symbol	Dimension	Symbol
1.	Positive psychological capital (Luthans, Luthans, & Luthans, 2004)	X <sub>1</sub>	Self-efficacy	X <sub>1.1</sub>
			Optimism	X <sub>1.2</sub>
			Resilience	X <sub>1.3</sub>
			Hope	X <sub>1.4</sub>
2.	Market orientation (Kohli & Jaworski, 1990)	X <sub>2</sub>	Intelligence generation	X <sub>2.1</sub>
			Dissemination generation	X <sub>2.2</sub>
			Responsiveness	X <sub>2.3</sub>
3.	Business performance (Pelham, 2000)	Y <sub>1</sub>	Financial	Y <sub>1.1</sub>
			Non-financial	Y <sub>1.2</sub>

## 2.3. Data collection

This research used statistics of the culinary family businesses in Makassar City, South Sulawesi Province, Indonesia. Primary and secondary data were collected during the implementation period from May to August 2018. Primary data is directly obtained from field research, conducted on the actors of culinary family business actors. Secondary data was extracted from the documentation of the office of Industry, Trade, and Investment of the city of Makassar, as well as the Department of Trade of the Province of South Sulawesi relating to reports on the characteristics of Micro, Small, and Medium Enterprises, considering the fact that this type of business belongs to SMEs.

Questionnaire and documentation are techniques applied during data collection. The questionnaire which comprises of questions based on variables of positive psychology capital, market orientation, and business performance is the instrument used to investigate data acquired from the field. Simple and impartial words used in order for the respondents to understand and answer the questions with ease. Questionnaire items were adopted and developed from the theories of previous studies and it consists of several aspects.

Based on the research variables in Table 1, each dimension of positive psychological capital, market orientation, and business performance, is developed into several indicator variables. Self-efficacy is operationalized with 3 indicators which include (1) setting exceptional targets for themselves and the desire to carry out difficult tasks, (2) accepting challenges in a pleasant and free-spirited manner, as well as being highly motivated and (3) efforts to achieve the targets that have been made and persistency when obstacles are encountered. Optimism is defined in accordance with 4 indicators namely (1) has good expectations in the future (2) a positive way of handling problems (3) a realistic way of reasoning and (4) feeling confident that they are able to control their future. Resilience is measured with 4 indicators such as (1) being able to withstand adversity, (2) able to rise again from conflict, (3) being able to progress again after failure and (4) able to learn and develop the challenges encountered. Hope is operationalized with 4 indicators namely (1) have a explicit goal concept, (2) the ability to develop specific strategies to achieve goals (3) the ability to trigger or boost motivation and (4) the ability to maintain motivation (Luthans, Youssef, & Avolio, 2015).

According to Table 1, market orientation variables consist of 3 dimensions. The intelligence generation is operationalized with 4 indicators which include (1) the tendency to offer the best value to customers (2) being informed to be able to make predictions (3) processing information in order to be able to anticipate a changing market and (4) understanding customer needs and desires. The generation of dissemination is measured using 5 indicators namely (1) information concerning the market is distributed to all organizational elements, (2) adequate coordination of the organizational elements in utilizing information concerning the customers (3) there is mutual understanding of the market information communicated across to them, (4) there is openness in the communication between all organizational elements, and (5) acquired information is coordinated and implemented. Responsiveness is operationalized with 5 indicators namely (1) providing continuous responses to various changes in customer needs, (2) developing an action plan for various needs of the customer, (3) developing an action plan to win the competition, (4) understanding customers in order to win the competition, and (5) the availability of implementation scale based on customer needs (Kohli & Jaworski, 1990).

Table 1 show that the variables of business performance consist of 2 dimensions. The financial dimension consists of 6 indicators namely (1) sales target, (2) level of sales, (3) profitability, (4) return on capital, (5) turnover rate and (6) company efficiency. The nonfinancial dimension consists of 7 indicators which include (1) customer maintenance, (2) the success rate of new products, (3) the achievement level of company goals, (4) market shares, (5) product quality, (6) service quality, and (7) intergenerational success in family business (Pelham, 2000; Gedajlovic et al., 2010).

A Likert scale which consists of five points ranging from 1 (strongly disagree) to 5 (strongly agree) was used to access all responses in the questionnaire. Secondary data was acquired through documentation, namely data relating to the respondents recorded by the Office of Industry, Trade, and Investment of Makassar city, and the Trade Service of South Sulawesi province.

The instruments used in this study were tested for validity and reliability. The validity of an instrument was tested by calculating the correlation between each question and the total score using the Product Moment correlation formula. Assuming  $r > 0.30$ , then the statement items from the questionnaire is stated to be valid (Sekaran, 2000). However, to test for the reliability of the instrument, the Cronbach's Alpha was applied and when the value is  $> 0.60$ , the questionnaire is stated to be reliable or consistent (Sekaran, 2000).

## 2.4. Sample size

This research was conducted on culinary family businesses in Makassar, South Sulawesi, Indonesia, which consist of a number of sub-districts as well as food and beverage businesses activities in the industrial sector. The analysis unit used in the sample data of this research is entrepreneurs of the culinary family business at managerial level or business owners. The samples were considered capable due to their involvement in the current business development. Its distribution is shown in Table 2.

Table 2. Number of family businesses

No.	Sub-district	Business Unit	Number of Employees
1	Mariso	4	42
2	Mamajang	8	31
3	Tamalate	13	58
4	Rappocini	7	31
5	Makassar	17	94
6	Ujung Pandang	8	39
7	Wajo	9	26
8	Bontoala	3	13
9	Ujung Tanah	-	-
11	Tallo	5	24
12	Panakkukang	19	76
13	Manggala	12	79
14	Biringkaya	30	786
15	Tamalanrea	22	156
	<b>Total</b>	<b>157</b>	<b>1455</b>

Source: *Office of Industry and Trade of Makassar City, 2018*

Higginson (2010) reported that there are differences in the dynamics as well as characteristics of each family business. The research samples were acquired based on certain characteristics such as family businesses that have been functional for at least two generations, gender of predecessors and successors, as well as number of successors, and employees as shown in Table 3.

Table 3. Sampling characteristics

No.	Characteristics	Category
1	Long effort	Minimum of 2 generations
2	Gender between predecessors and successors	Same and different
3	Number of successors	More than one
4	Number of employees	More than two people

Source: *own compilation*

121 Culinary family businesses were included to the research samples. In order to use partial least squares - structural equation modeling (PLS-SEM), a minimum of 100 samples is needed (Reinartz, Haenlein, & Henseler, 2009). However, based on the characteristics category, data was acquired from 121 culinary family business actors, which means that it exceeded the minimum required sample size.



## 2.5. Data analysis methods

This study applied a variance-based SEM-PLS estimation to maximize explanations of variance in the dependent variable structural equation model. It was used because its component-based squares are effective causal modeling techniques, which allow estimation of measurements and path coefficients, simultaneously. This analysis is recommended by Hair, Ringle, and Sarstedt (2013). The inferential statistical data analysis was measured using SmartPLS (Partial Least Square) software starting from the outer, and inner model structure and hypothesis testing. PLS (Partial Least Square) uses the principle component analysis method in the measurement model. The variant extraction blocks is subject to investigate the relationship between indicators and the latent construct by calculating the total variance which consist of common, specific, and error variants (error variance).

The estimated SEM modeling parameters in accordance with the PLS approach is obtained through a three-stage iteration process using Ordinary Least Square (OLS). It includes determining the weight to set a score or calculate latent variable data and determine the path estimation (for inner and outer models). The analysis connects latent variables and estimate loading between latent variables and their indicators, as well as the average estimate and location of parameters.

Furthermore, the analysis of structural equation fit models was performed by SEM-Partial Least Square (PLS) using the SmartPLS software. This is conducted to produce a concept-based theory to design a structural model (the relationship between latent variables) and its measurement, namely the relationship between indicators and latent variables. The validity and reliability were used to evaluate the goodness of fit with the measurement model (outer model). The subsequent stage is the evaluation of structural models and finally the interpretation of the model.

Hypothesis testing is carried out by bootstrapping resampling method developed by Stone (1974) and Geisser (1975). The test statistics used in this research is the t test, while the application of bootstrap resampling method, does not require normal distribution assumptions, and large samples. When a p-value  $\leq 0.05$  (alpha 5%) is obtained, it is reported as significant, and vice versa. Assuming the test results from the inner model are significant, then it is reported that there is a significant influence of latent variables.

## 3. Results and discussion

### 3.1. Characteristics of respondents

The respondents of this study were 121 family business owners in the culinary sector. They were divided into four main characteristics, namely gender, education level, age, and type of culinary business. Men dominated the characteristics of respondents with 86 people (71%) and women 35 (29%). The level of education of respondents varied considerably with, 55 people (45%) in primary school, 18 people (15%) in junior high school, 29 people (24%) in high school and 19 (16%) in tertiary institutions.

Characteristics of respondents seen from the age level also showed variation as respondents were dominated by family business owners between the age of 41-50 years with 52 people (43%), 31-40 years by 35 people (29%), 51 - 60 years by 22 people (18%), and 20-30 years by 5 people (4%). Only seven people (6%) were above 60 years. This shows that the majority of respondents are in a productive age to run a business.

Characteristics of respondents are from the type of culinary business, which is divided into two including modern and traditional culinary businesses. Modern culinary is a type of

family business that provides or sells food adopted from outside Indonesia. The traditional culinary is a type of family business that provides or sells food that comes from traditional values by traditional ethnic groups in Indonesia, and the Bugis Makassar tribe in South Sulawesi Province in particular. Family businesses that sell modern culinary are as many as 60 (45%) and those that sell traditional culinary are 61 (55%).

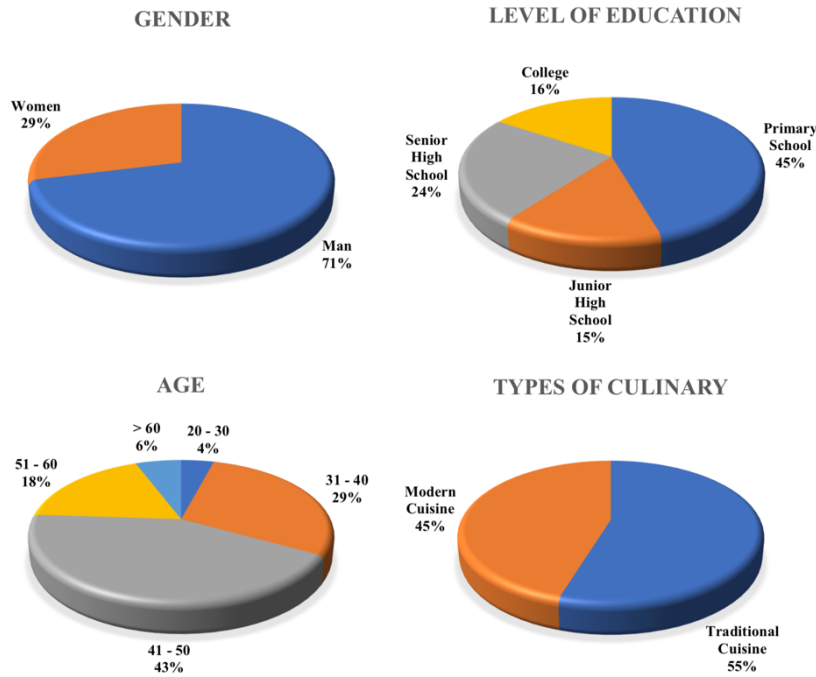


Figure 2. Characteristics of respondents

3.2. Instrument validity and reliability

The results of the instrument validity test shows that all indicators in the research variable met the data validity requirements, as shown in Table 4.

Table 4. Validity test

Variable	Dimension	Indicator	r	Information
Positive psychology capital (X <sub>1</sub> )	Self-efficacy (X <sub>1.1</sub> )	X <sub>1.1.1</sub>	0.821	Valid
		X <sub>1.1.2</sub>	0.854	Valid
		X <sub>1.1.3</sub>	0.811	Valid
	Optimism (X <sub>1.2</sub> )	X <sub>1.2.1</sub>	0.721	Valid
		X <sub>1.2.2</sub>	0.801	Valid
		X <sub>1.2.3</sub>	0.890	Valid
		X <sub>1.2.4</sub>	0.702	Valid
	Resilience (X <sub>1.3</sub> )	X <sub>1.3.1</sub>	0.824	Valid
		X <sub>1.3.2</sub>	0.843	Valid
		X <sub>1.3.3</sub>	0.820	Valid
	Hope (X <sub>1.4</sub> )	X <sub>1.3.4</sub>	0.711	Valid
		X <sub>1.4.1</sub>	0.794	Valid
		X <sub>1.4.2</sub>	0.809	Valid
			X <sub>1.4.3</sub>	0.765

		X <sub>1.4.4</sub>	0.854	Valid
		X <sub>2.1.1</sub>	0.790	Valid
	Intelligence generation (X <sub>2.1</sub> )	X <sub>2.1.2</sub>	0.822	Valid
		X <sub>2.1.3</sub>	0.790	Valid
		X <sub>2.1.4</sub>	0.808	Valid
		X <sub>2.2.1</sub>	0.876	Valid
Market orientation (X <sub>2</sub> )	Dissemination generation (X <sub>2.2</sub> )	X <sub>2.2.2</sub>	0.743	Valid
		X <sub>2.2.3</sub>	0.852	Valid
		X <sub>2.2.4</sub>	0.819	Valid
		X <sub>2.2.5</sub>	0.796	Valid
		X <sub>2.3.1</sub>	0.776	Valid
	Responsiveness (X <sub>2.3</sub> )	X <sub>2.3.2</sub>	0.713	Valid
		X <sub>2.3.3</sub>	0.872	Valid
		X <sub>2.3.4</sub>	0.845	Valid
		X <sub>2.3.5</sub>	0.865	Valid
Business performance (Y <sub>1</sub> )	Financial (Y <sub>1.1</sub> )	Y <sub>1.1.1</sub>	0.781	Valid
		Y <sub>1.1.2</sub>	0.881	Valid
		Y <sub>1.1.3</sub>	0.893	Valid
		Y <sub>1.1.4</sub>	0.798	Valid
		Y <sub>1.1.5</sub>	0.821	Valid
		Y <sub>1.1.6</sub>	0.851	Valid
	Non-financial (Y <sub>1.2</sub> )	Y <sub>1.2.1</sub>	0.876	Valid
		Y <sub>1.2.2</sub>	0.854	Valid
		Y <sub>1.2.3</sub>	0.779	Valid
		Y <sub>1.2.4</sub>	0.809	Valid
		Y <sub>1.2.5</sub>	0.774	Valid
		Y <sub>1.2.6</sub>	0.763	Valid
		Y <sub>1.2.7</sub>	0.725	Valid

Source: *Computed by authors*

The results of the validity test in Table 4 show that all indicators in the positive psychological capital, market orientation, and business performance had a Pearson correlation (correlation coefficient) above 0.30. Therefore, all indicators met the data validity requirements. This was preceded by the instrument reliability test as shown in Table 5.

Table 5. Reliability test

No.	Variable	Cronbach's Alpha	Information
1	Positive psychology capital (X <sub>1</sub> )	0.787	Reliable
2	Market orientation (X <sub>2</sub> )	0.832	Reliable
3	Business performance (Y)	0.875	Reliable

Source: *Computed by authors*

### 3.3. Data analysis

This study aims to determine the effect of positive psychological capital and market orientation on the performance of the culinary sector family business. Before determining the hypotheses, the goodness of fit was evaluated on outer models using convergent validity, discriminant, and composite reliability. The results of convergent validity testing are shown in Table 6.

Table 6. Testing convergent validity, discriminant validity, and composite reliability

Variable	Convergent Validity			Discriminant Validity	Composite Reliability
	Indicator	Loading Factor	Information	AVE	
X <sub>1</sub>	X <sub>1.1</sub>	0.812	Valid	0.867	0.784
	X <sub>1.2</sub>	0.722	Valid		
	X <sub>1.3</sub>	0.680	Valid		
	X <sub>1.4</sub>	0.340	Valid		
X <sub>2</sub>	X <sub>2.1</sub>	0.644	Valid	0.754	0.689
	X <sub>2.2</sub>	0.713	Valid		
	X <sub>2.3</sub>	0.866	Valid		
Y <sub>1</sub>	Y <sub>1.1</sub>	0.901	Valid	0.796	0.733
	Y <sub>1.2</sub>	0.832	Valid		

Source: *Computed by authors*

The evaluation of the goodness of fit on the outer model using the convergent validity, discriminant, and composite reliability, shows that the psychological capital and market orientation were positively correlated. The analysis showed that the prediction on the performance of the family business is in the good category. The t-values for each path were used to determine the partial effect of exogenous and endogenous variables with the results shown in Table 7.

Table 7. Results of testing research hypotheses

Independent Variable	Dependent Variable	Inner Weight Coefficient	t	Significance
Positive Psychology Capital	Business Performance	0.341	2.653	Significant
Market Orientation	Business Performance	0.214	2.148	Significant

The findings of this study showed that the influence of positive psychological capital on business performance has an inner weight value of 0.341 with a t-value of 2.653. Therefore, positive psychological capital has a significant effect on the performance of the culinary sector family business. Furthermore, the effect of market orientation on business performance obtained an inner weight value of 0.214 with a t-value of 2.148. Hence, the market orientation has a significant effect on the performance of the culinary sector family business.

### 3.4. Discussion

One of the main objectives of this study is to determine the relationship between positive psychological capital and the performance of the culinary sector family business. This study found a significant and positive influence between positive psychological capital and business performance. The results consistently prove that success in entrepreneurship is a combination of financial and psychological aspects. Although financial performance plays an important role in assessing entrepreneurial success, a measure of psychological success, such as self-efficacy, optimism, resilience, and hope leads to a more comprehensive understanding of entrepreneurial success.

Luthans et al. (2004) stated that positive psychological capital consisting of self-efficacy, optimism, resilience, and hope increases profitability and organizational performance. Several other studies have reported the use of positive psychology capital to predict organizational performance and innovation capabilities (Lazarotti et al., 2020). Individuals

with psychological characteristics such as self-confidence, the need for achievement and autonomy, self-efficacy, and internal locus of control have more capacity to take risks and become successful in entrepreneurship (Simoes et al., 2016).

The result shows that positive psychology capital is a potential that exists in people, which can be assessed and developed to produce self-efficacy, optimism, resilience, and hope (Luthans et al., 2015). Some studies stated that positive psychology capital improves business performance through creative behavior (Sweetman et al., 2011; Rego et al., 2012) and are positively related to performance in problem-solving and innovation (Luthans et al., 2011).

Overall, the findings in this study indicate that entrepreneurial success is a combination of financial and psychological performance. The results also show that good business performance contributes to psychological state variables, which is consistent with previous studies (Hmieleski & Carr, 2007; Gorgievski et al., 2010). Although financial performance is important in assessing entrepreneurial success, a measure of psychological success leads to a more comprehensive understanding.

Another purpose of this research is to analyze market planning towards improving the culinary family business. The result is consistent with the study carried out on empirical studio by Boohene et al., (2012), which found a positive relationship between market facilitation and business performance. Similarly, the research carried out by Dawes (2000), stated that every dimension of market approval is always very closely related to business performance.

Various other studies also show that market orientation influences business performance. For instance, studies conducted by Lings & Greenly (2009), Kelson (2012), and Jaiyeoba (2014) also show a direct impact of market orientation on business performance. According to Pelham & Wilson (2001), a market-oriented business covers the ability to collect and handle good market information, predict its needs and changes accurately and quickly in order to increase their competitive advantage.

The result of this study shows that businesses are good at dealing with market opportunities due to activities based on customer needs. This is in accordance with the development of research conducted by Alkali and Isa (2012), Zainal et al., (2018) and Musa et al., (2018). Furthermore, examining the ability of family businesses to translate data-based market change requires customer-based business activities, which needs to be synchronized with the management of customer data for long-term performance.

## Conclusion and limitations

The results from this research show that positive psychological capital has a significant influence on the performance of culinary family businesses. Therefore, self-efficacy, optimism, resilience, and hope, has an influence on improving business performance. Also, this study shows that market orientation has a significant influence on the performance of the culinary sector, therefore, it is carried out in the process of acquiring and disseminating information, to all members or employee to encourage commitment in each organizational unit. Besides, a sensitive response to changes due to customer expectations and the presence of competitor, have a significant influence on improving the performance of family businesses.

The implication of this research is that in the formation of positive psychological capital, family business needs to increase its relevance by being able to translate changes in its external environment. This is an original research, which offers knowledge of the relationship between entrepreneurial psychological capital and market orientation in the culinary sector. However, there are several limitations associated with this study. Firstly, this research is only carried out on family businesses in the culinary sector, therefore it is not possible to generalize the entire family businesses. In the future, this research is also expected to be conducted in family

businesses involved in agriculture, trade, services, and manufacturing. Secondly, questionnaires were used to acquire data in this study, therefore the specific description of various research variables, particularly those relating to positive psychology capital has not been obtained in its entirety. In addition, to discover the impact of psychological capital on business performance, qualitative methods such as case studies tend to be more accurate, particularly in exploring the various characteristics of family businesses.

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